

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

**ARISEBANK, JARED RICE SR., and STANLEY
FORD**

Defendants,

Case No.: 3:18-cv-0186-M

AMENDED DECLARATION OF DAVID HIRSCH
IN SUPPORT OF PLAINTIFF'S EMERGENCY EX PARTE APPLICATION FOR
ORDER FREEZING ASSETS AND OTHER EQUITABLE RELIEF

I, David Hirsch, do hereby declare under penalty of perjury, in accordance with 28 U.S.C. § 1746, that the following is true and correct, and that I am competent to testify to the matters stated herein:

1. I am currently employed as a Staff Attorney with the United States Securities and Exchange Commission (the "Commission"), Division of Enforcement in its Fort Worth Regional Office ("FWRO") in Fort Worth, Texas. I am the Cyber Liaison for the FWRO. I have been employed by the Commission since September 2015. Prior to joining the Commission, I owned and operated a private investigation company from 2004 to 2015. Before that, I was a commercial litigator in the Los Angeles office of McDermott, Will & Emery from 2000 through 2004. I am an attorney licensed by the State Bar of California and the State Bar of Texas (inactive). I am also a Certified Fraud Examiner.

2. My official duties with the Commission include participating in fact-finding inquiries and investigations to determine whether the federal securities laws have been violated and assisting in the Commission's litigation of securities laws violations. This includes analyzing the law, interviewing witnesses and reviewing and analyzing financial and other records of various entities and individuals.

3. As part of my official duties, I have been a member of the SEC investigative team responsible for the investigation of AriseBank, Jared Rice Sr., and Stanley Ford ("Defendants"). In that role, I have investigated whether the Defendants are illegally offering or selling unregistered securities or making material misrepresentations and omissions related to those offers and sales.

4. As part of that investigation, I have observed marketing efforts by AriseBank and Rice through various media, including internet website, Whitepaper offering documents, press releases, social media accounts and chat services. I have included copies of many of those marketing documents as exhibits to this declaration.

5. During the course of my investigation, I have collected a number of documents from public sources, other government agencies and a private company. True and correct copies of these documents are attached as follows:

- (a) Exhibit 1, Texas Department of Banking Press Release, January 5, 2018.
- (b) Exhibit 2, Texas Secretary of State business entity search with no results for AriseBank. Search conducted on January 24, 2018.
- (c) Exhibit 3, www.AriseBank.com/learn/contact/default.htm, saved on January 12, 2018.
- (d) Exhibit 4, AriseBank Developer Whitepaper, Version 1.0.9, dated November 24, 2017, authored by Jared Rice Sr. ("Rice") and signed by Rice and Stanley Ford

(“Ford”), which I downloaded from the internet at:

<https://www.scribd.com/document/365423927/AriseBank-Developer-Whitepaper-2017>; saved on January 18, 2018.

(e) Exhibit 5, AriseBank’s 2017 Elevator Whitepaper, which is available at www.arisebank.com; as saved on January 12, 2018.

(f) Exhibit 6, Facebook post by Rice dated October 3, 2017, which I found on the AriseBank Facebook page, www.facebook.com/arisebank/posts/357062261402937.

(g) Exhibit 7, AriseBank description of its ICO, which I found at www.arisebank.com/learn/ico/default.htm, as saved on January 12, 2018.

(h) Exhibit 8, Announcement that AriseBank completed the acquisition of a 100 year-old FDIC-insured bank, January 18, 2018. “AriseBank Announces First-Ever Acquisition of Traditional Banks by a Crypto Platform Expects ICO to Exceed \$1B Due to Popular Demand,” which I downloaded from <https://www.prnewswire.com/news-releases/arisebank-announces-first-ever-acquisition-of-traditional-banks-by-a-crypto-platform-expects-ico-to-exceed-1b-due-to-popular-demand-300584461.html>; saved on January 23, 2018.

(i) Exhibit 9, Announcement of AriseBank initial agreement to acquired 100-year old FDIC insured bank, December 16, 2017. “World’s First Crypto Bank AriseBank Announces Bitshares Partnership, Acquisition of FDIC-Insured Bank,” which I downloaded from <http://bitcoinist.com/arisebank-announces-bitshares-partnership-acquisition-fdic-insured-bank/>; saved on January 23, 2018.

- (j) Exhibit 10, Texas Department of Banking Cease and Desist Order issued to AriseBank on January 5, 2018.
- (k) Exhibit 11, FDIC Certificate of Absence of Public Record, January 19, 2018, which we received from the FDIC.
- (l) Exhibit 12, Screen shot of AriseBank.com page listing Marqeta as a global partner, saved on January 23, 2018, from a cached version of the AriseBank.com site that was saved by Google.
- (m) Exhibit 13, Screen shot of AriseBank.com page showing logo of Marqeta as partner, saved on January 23, 2018, from a cached version of the AriseBank.com site that was saved by Google.
- (n) Exhibit 14, AriseBank's Facebook home page, which includes references to Marqeta on October 4, 2017.
- (o) Exhibit 15, Marqeta Twitter Feed, known as @Marqeta, which is available at [www.twitter.com/marqeta?lang=en](https://twitter.com/marqeta?lang=en); saved on January 23, 2018.
- (p) Exhibit 16, Marqeta Twitter @Marqeta January 14, 2018 entry regarding non-relationship with AriseBank, which is available at <https://twitter.com/Marqeta/status/952560216553406471>; saved on January 23, 2018.
- (q) Exhibit 17, Marqeta Twitter @Marqeta January 16, 2018 entry regarding AriseBank not having permission to use Marqeta technology and Marqeta not-supporting virtual currency based VISA cards, which is available at <https://twitter.com/Marqeta/status/953366185415864320>; saved on January 23, 2018.

(r) Exhibit 18, January 11, 2018 letter from Marqeta to AriseBank regarding infringement of trademarks and that AriseBank's website "inaccurately asserts that Marqeta is a partner of AriseBank," which I received from the General Counsel for Marqeta.; received on January 23, 2018.


(s) Exhibit 19, contains four documents regarding Jared Rice's recent criminal history, including details about the indictments and sentence received for two state jail felonies.

(t) Exhibit 20, DELETED.

6. During the investigation, I learned that, from early 2017 until now, Defendant AriseBank appears to be an unincorporated entity that operates in Texas but is not registered here, nor does its registration appear in public records databases. It has an office in Dallas, Texas and claims to have offices in Dubai, U.A.E..

I state under penalty of perjury that the foregoing is true and correct.

Dated: February 2, 2018.



David Hirsch